



## DEFINING PRODUCER, AGENT, AND BROKER

Most people use producer, agent and broker interchangeably when they talk about insurance. However, there are significant differences, and understanding the terms can help you determine which is best for your insurance needs.

**Producer** is a general term used for people who sell insurance. Producers are either agents or brokers.

**Insurance Agents** work for and represent just one insurance company. Many direct writers, such as Allstate, Farmers, and State Farm, employ insurance agents. The agents only provide the coverages offered by their company. Insurance agents are often called “captive agents” because they are captive to one company.

**Insurance Brokers** work for the insured and represent multiple insurance companies. Brokers can provide a broader range of coverages because they have access to more markets than an agent. Brokers are often referred to as independent brokers because they are not dependent on any one insurer. Just to keep things confusing, brokers are often called “independent agents” in advertising.

Both agents and brokers are professionals. Each must pass a rigorous test in order to be licensed and, in nearly every state, must provide proof of continuing education in order to renew licenses. Additionally, agents and brokers may earn professional designations through intensive educational programs. Some designations require years of study and exams, and represent the highest levels of knowledge and achievement in the insurance industry.

**TrueNorth is an insurance broker.** We believe that there are significant advantages to working with a broker, especially for high net-worth clients with complex insurance needs.

Insurance Broker	Insurance Agent
We represent our client, whose needs are our highest priority.	Agents represent the insurer; their priority is to sell and service coverage on behalf of the insurer.
We craft coverage to each client’s specific needs and concerns. We are familiar with unique insurance situations and partner with multiple insurers to obtain appropriate coverages.	Agents can only offer coverages provided by their insurer. An agent representing one insurer may be an appropriate choice for clients with basic insurance needs.
Our insurers’ products are designed for high-net worth clients. They include coverage enhancements and value-added services that address the affluent market.	The insurer’s product is designed for the “Main Street” market and the insurer has less appetite for complex or unusual exposures. They offer few coverage enhancements or value-added services.
We provide claims support. Our Account Managers work with the insurer’s claims adjusters on behalf of our client.	Insureds work directly with the insurer’s claims adjusters and have no claims advocate.

Both agent and broker incomes are primarily based on commission, a percentage of policy premiums. TrueNorth's compensation plan is unique within the industry. While our firm's income is based on commission, all of our Account Managers are salaried. This promotes teamwork, eliminates competition for commissions, and enables us to always fulfill our primary purpose as brokers—to make the client's needs our highest priority.

We have served our clients as an independent broker since 2001 with the merger of Davis Jones Lamb Insurance, Insurance Service Corporation, and Verhille & Associates. This merger created the largest financial services firm of its kind based in Eastern Iowa. We firmly believe it is the most effective means of providing appropriate coverage and superior client service. Over the years, TrueNorth has evolved with the understanding that in order to provide an exceptional experience and preserve our award-winning culture, we must adopt a unified approach and a common focus. Every day, we wake up motivated to make progress on these initiatives, celebrate key milestones and enjoy the company of our colleagues. This shared commitment, energy and effort promises an enduring legacy and an exciting future for our firm.